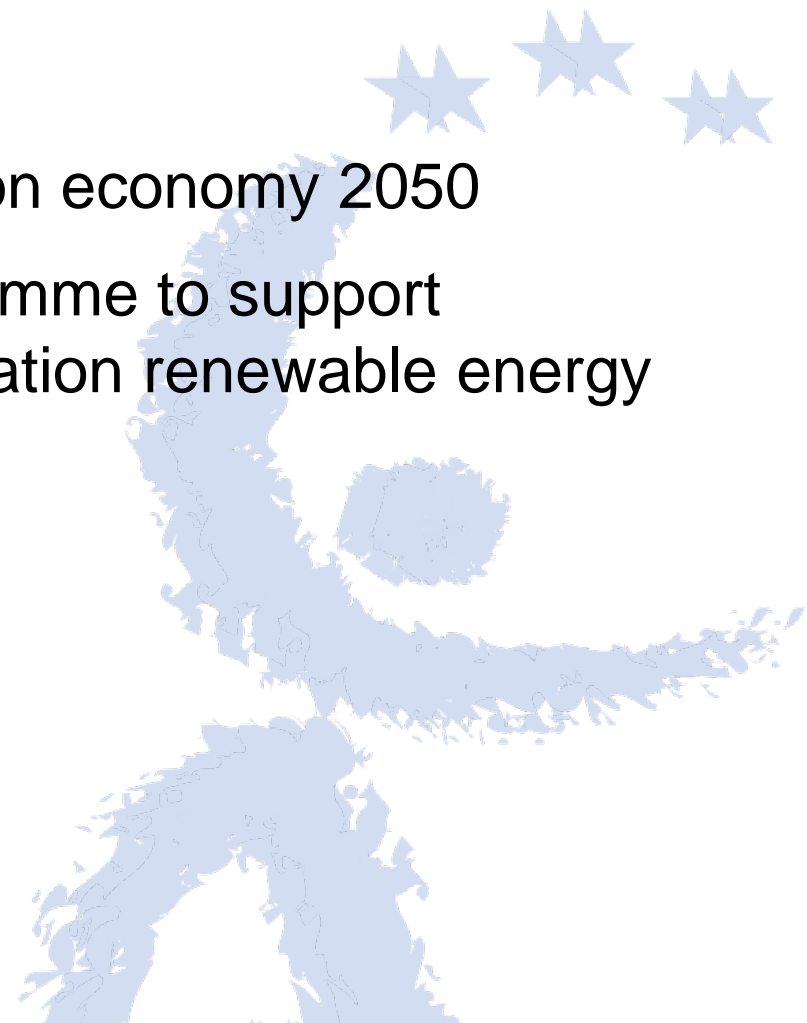


# Financing Low Carbon Technologies

## - the NER300 Programme

*Keskonnafestival “Rohevik”  
Tallin, 16 September 2011*

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DG Climate Action  
European Commission

- ★ Introduction
  - ★ Towards a competitive low carbon economy 2050
  - ★ NER300: a major funding programme to support demonstration projects for innovation renewable energy technologies and CCS
  - ★ Conclusions
- 

- ★ Science requires that global emissions are cut by -50% by 2050 compared to 1990
- ★ Keeping average global temperature increase below 2°C confirmed as global objective (Copenhagen, Cancun)
- ★ EU objective of reducing greenhouse gas emissions by 80-95% by 2050 compared to 1990, in the context of necessary reductions by developed countries
- ★ Low carbon 2050 strategy as framework for longer term action
- ★ Low carbon and energy-efficient technologies as key element in green growth strategies – the EU needs to maintain its leadership

# The EU climate and energy package

★ EU climate and energy package provides clear targets for the low carbon economy in different sectors:

- ↪ 20% GHG reduction compared to 1990
- ↪ 30% GHG reduction compared to 1990 if there is an international agreement
- ↪ 20% renewables share of final energy consumption
- ↪ 10% renewables in transport
- ↪ Improve energy efficiency by 20% compared to business as usual projections

★ Key EU legislation:

- ↪ EU Emissions Trading System (ETS)
- ↪ Renewable Energy Directive

★ Strategic Energy Technology (SET)-Plan

- ★ **“Roadmap for moving to a competitive low carbon economy in 2050”** provides framework for long-term action
- ★ Electricity will play a central role in the low carbon economy – power sector practically decarbonised by 2050
- ★ A wide range of existing technologies will need to be widely deployed, but also more advanced technologies
- ★ The **EU ETS will be critical** in driving a wide range of low carbon technologies into the market.
- ★ Need for **additional support** for the deployment of first of a kind commercial projects

- ★ **NER 300:** 300 million allowances reserved in new entrants reserve (NER) of EU-ETS for the financing of commercial-scale CCS and innovative RES demonstration projects
- ★ 300 million allowances (depending on carbon price, worth some €4-5 billion) will be distributed through two rounds of Call for proposals (200/ 100 million allowances)
- ★ Wide range of technologies: at least 8 CCS and at least 34 RES projects
- ★ Geographically balanced locations: 1 to 3 projects per MS

- ★ 50% of relevant costs will be funded, per project max.  
15% of the total number of allowances
- ★ NER 300 aims to encourage private investors and Member States to invest in commercial-scale demonstration projects
- ★ NER 300 not part of EU budget – can be combined with other instruments, including EEPR and Structural and Cohesion Funds
- ★ Implementation at EU level, but with strong role for Member States, and with support from the European Investment Bank

- ★ Eligibility: Technology categories and sub-categories, capacity thresholds, innovation (RES)
- ★ Due diligence: Financial and technical, aim to ensure that any Project receiving a funding commitment under NER 300 has a good prospect of proceeding to project completion and entry into operation
- ★ Ranking: Based on cost per unit performance, CCS projects together, RES projects in sub-categories
  - ↪ CCS Group: 8 highest ranked projects meeting portfolio requirements (representation of technology categories, storage options)
  - ↪ RES Group: Highest ranked project in each sub-category



★ Renewable energy technologies must be innovative in nature, i.e. existing, proven technologies are not eligible.

★ 9 RES Project Categories:

↪ Bio-energy

↪ Concentrated solar power

↪ Solar photovoltaic

↪ Wind

↪ Geothermal

↪ Ocean (wave and tidal power, ocean thermal energy conversion)

↪ Hydro-electric

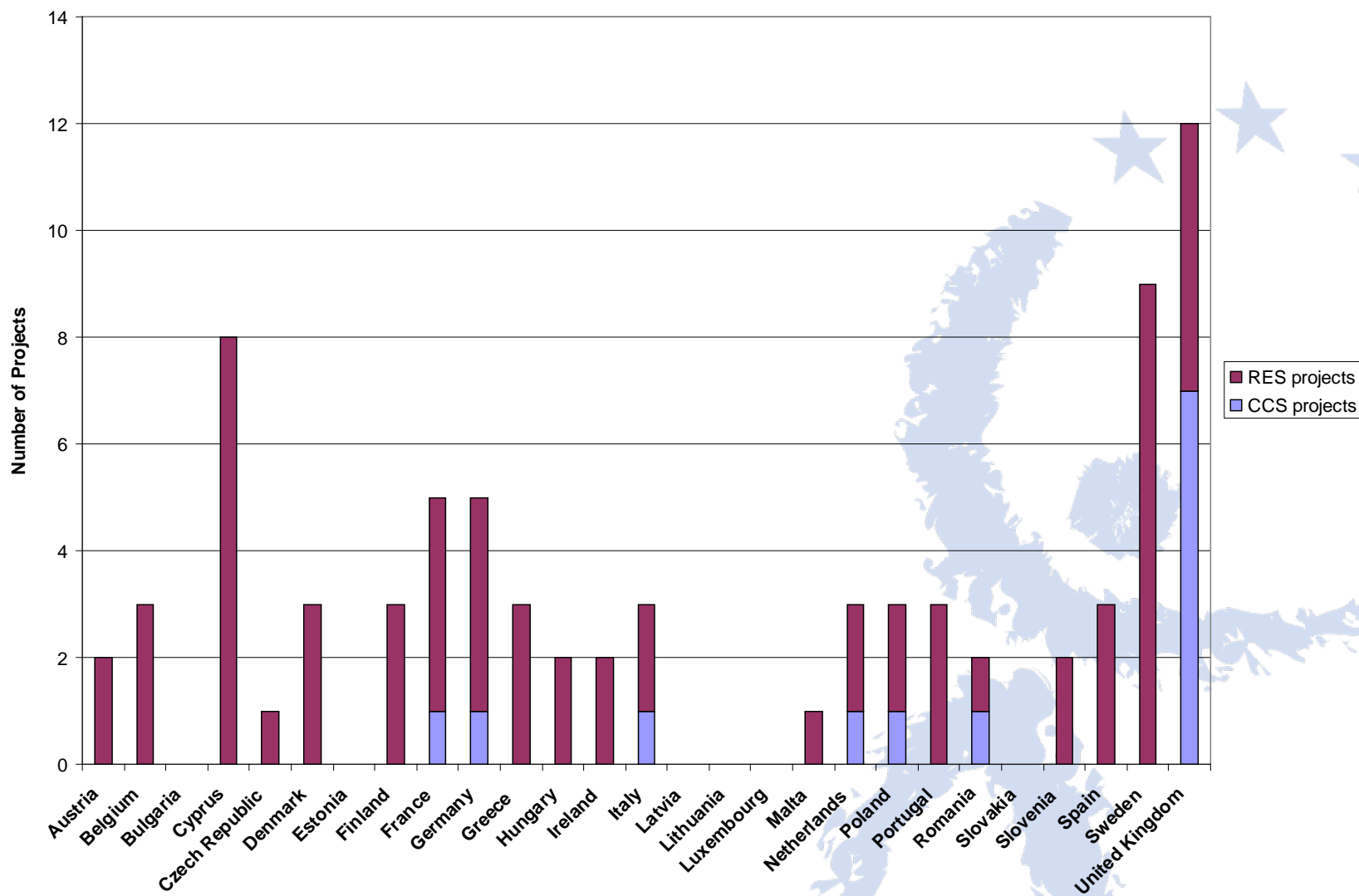
↪ Distributed renewables management (Smart Grids)

- ★ Launch of first Call for proposals on 9 Nov 2010
- ★ Project Sponsor phase completed on 9 Feb 2011 with submission of project proposals to Member States
- ★ Member States had until 9 May 2011 to check eligibility of projects and submit those eligible projects they wished to support to EIB for further assessment
- ★ EIB now has until 9 Feb 2012 to carry out financial and technical due diligence assessment, rank the projects and make recommendations for award decisions
- ★ Award decisions for the first tranche envisaged for the second half of 2012

# Number of submitted projects on 9 May 2011

<b>Total number of CCS projects</b>	<b>13</b>
Power generation: pre-combustion	3
Power generation: post combustion	6
Power generation: oxyfuel	2
Industrial applications demonstrating CCS on refineries, cement kilns, in iron and steel or aluminium production	2
<b>Total number of renewables projects</b>	<b>65</b>
<i>Bioenergy</i>	23
<i>Concentrated solar power</i>	9
<i>Photovoltaics</i>	4
<i>Geothermal</i>	3
<i>Wind</i>	15
<i>Ocean</i>	8
<i>Distributed renewable management</i>	3

# Number of projects submitted per Member State on 9 May 2011



- ★ The EU has established a legal framework to accelerate the development and deployment of low carbon technologies – long-term perspective is essential
- ★ NER 300 funding programme under the EU ETS is worldwide unprecedented in scope and magnitude for the financing of low carbon technologies
- ★ Implementation at EU level ensures highest possible quality of demonstration projects in terms of technological and geographical balance
- ★ Commercial-scale demonstration projects will help to support the deployment of innovative renewable energies
- ★ Strong interest in NER 300 funding underlines the need to work further on providing public support (e.g. EU next Multiannual Financial Framework)

- ★ **DG Climate Action:**  
[http://ec.europa.eu/dgs/clima/mission/index\\_en.htm](http://ec.europa.eu/dgs/clima/mission/index_en.htm)
- ★ **NER 300 website:**  
[http://ec.europa.eu/clima/funding/ner300/index\\_en.htm](http://ec.europa.eu/clima/funding/ner300/index_en.htm)

**Thank you for your attention!**

